

# **Department of Community and Economic Development**

## **Economic Development Committee Meeting**

**May 3, 2004**

**4:00 p.m.**

**4<sup>th</sup> Floor Conference Room 4A**

**City Hall**

**777 B Street**

**Hayward, CA 94541-5007**

## **A G E N D A**

**Public Comments:** (Note: For matters not otherwise listed on the agenda. The Committee welcomes your comments under this section but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and referred to staff.)

- 1. Approval of Minutes (April 5, 2004)**
- 2. Economic Development Activities Update**
- 3. Commercial Real Estate Update: Doug Norton, CB Richard Ellis  
Jeff Starkovich, BT Commercial  
Dan Bergen, Colliers International**
- 4. Committee Member Announcements**
- 5. Adjournment**



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**ECONOMIC DEVELOPMENT COMMITTEE  
REGULAR MEETING  
Minutes  
APRIL 5, 2004**

**CALL TO ORDER:** Chair Barrow called the meeting to order at 4:04 p.m.

**ATTENDANCE:**

Committee Member	Present 4/5/04	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Timothy Barrow (Chair)	✓	7	1	7	1
Steve Bristow	✓	7	1	7	1
Mayor Cooper	no	6	2	6	2
Council Member Dowling	✓	5	3	5	3
Joyce Jaquith	✓	7	1	7	1
Ed Mullins (Vice Chair)	✓	8	0	8	0
Joel Peña	✓	8	0	8	0
Lisa Ringer	✓	8	0	8	0
Council Member Ward	no	4	4	4	4

**OTHERS ATTENDING:** Jesús Armas, City Manager  
Sylvia Ehrental, Director of Community & Economic Development  
Ann Bauman, Neighborhood and Economic Development Manager  
Sally Porfido, Economic Development Specialist  
Nancy Rogers, Public Affairs Director, BayEast Association of Realtors  
Dave Stark, Housing Development Specialist

**PUBLIC COMMENT:** None

**APPROVAL OF MINUTES:**

The minutes of March 1, 2004 were approved.

**ECONOMIC DEVELOPMENT ACTIVITIES UPDATE:**

Ms. Bauman updated the EDC on economic development activities for the month of March 2004. Staff toured the new East Bay Small Business Development Center in Oakland with the Center Director, Mr. Raj. They discussed what the new Center (located 475 14<sup>th</sup> Street, Suite 150 in Oakland) has to offer as a resource to small businesses. Staff received packets to use with

small business owners who are interested in meeting with consultants offered through the East Bay Small Business Development Center. This service is free to the business owner. Staff has already utilized these services in working with Café Bijoux to receive consulting service through the Center.

#### **RESIDENTIAL REAL ESTATE UPDATE:**

Ms. Bauman introduced the guest speaker, Nancy Rogers, Public Affairs Director, BayEast Association of Realtors. Ms. Rogers stated that there are record numbers of units being sold. The main reason is because there are not enough houses in inventory. Currently the demand for housing is strong with over 20 qualified buyers for each house.

The San Francisco/Bay Area is the highest priced area in the State of California. The average price of a home in Hayward for January 2004 was \$393,500, up 20.2% over same period in 2002. The minimum household income needed to purchase a median priced home in California at \$394,300 was \$91,690, based on a typical 30-year, fixed rate mortgage at 5.74% and assuming a 20% downpayment.

Ms. Rogers projects mortgage interest rate will remain low, especially since this is an election year. No substantial change is expected in mortgage rates until 2005.

At the Federal level, there are three pieces of legislation in process to raise the conforming loan limit. This new legislation would increase the conforming loan limit to the mid-to-high \$400,000's to make it easier for people to purchase a home without Private Mortgage Insurance (P.M.I.)

To meet the challenges of increasing the housing supply and providing affordable homeownership options for more families in California -- since less than one in four households can afford a median-priced-home -- the California Association of Realtors (C.A.R.) has proposed a 2004 legislative package. This package includes four bills that will improve homeownership opportunities for renters, increase the supply of second units, change Low- and Moderate-Income Housing Fund requirements, and increase the flexibility and usefulness of the density-bonus law.

The supply side of the housing market is keeping sales prices up. To keep up with demand there should be 250,000 houses units build per year but a maximum of 150,000 units are built.

Per Ms. Rogers, the condo/town home market is very hot right now. However, mobile homes do not follow the trends of the housing market.

#### **COMMITTEE MEMBER ANNOUNCEMENTS:**

None.

**ADJOURNMENT:** Meeting was adjourned at 4:50 p.m.